

complaint

Mr T complains that Secure Trust Bank Plc did not set up his standing order correctly. As a result he says he missed two payments to his credit card account with a third party finance provider who I'll call "A".

background

Secure Trust agreed it was at fault and didn't set up the standing order correctly. After some to-ing and fro-ing and after several months had gone by, it refunded the two payments which amounted to £100. It has also offered £50 for distress and inconvenience which it has since upped to £100.

Our adjudicator said that he didn't think that Secure Trust had gone far enough. It'd made Mr T do most of the running; it took too long to respond to him and its' offer for distress and inconvenience didn't reflect this. He thought a total award of £300 for distress and inconvenience was more appropriate.

Mr T accepted this recommendation. Secure Trust didn't so this complaint was sent to me to review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've finished looking at Mr T's complaint and I'm going to uphold it. I explain below why I think this is a fair and reasonable conclusion.

There's no disagreement that Secure Trust caused the original problem. It didn't follow Mr T's instructions so he missed two payments to his credit card account.

Then, when Mr T asked Secure Trust to sort this out, it took several months to get to the bottom of things. Further it didn't keep him properly informed about what it was doing and sent its final response letter around 4 months after the complaint was made by Mr T.

All of this time it's clear to see that Mr T was worried about what had happened to his money. It had disappeared into thin air as far as he could make out.

Further he was concerned about late payment charges and interest on the account he had with A.

I do think Secure Trust caused Mr T a lot of unnecessary distress and inconvenience. And it could have put a stop to this simply by telling him what it was doing, being clear about how long this would take and reassuring him that if it had made a mistake, it would put things right. Including paying any losses he'd made because of its mistakes.

I think a further £200 in addition to the £100 it's offered is a fair award for all of this distress and inconvenience. This is in addition to the £100 Secure Trust has refunded to Mr T's account. A tells us it has already refunded all the charges and interest Mr T ran up due to Secure Trust's mistake so I've made no award for this.

Mr T is worried about the impact this may have had on his credit file. It is A not Secure Trust who might have registered information about late payments on Mr T's credit file, so as we've already explained to Mr T if he wants this looked at he needs to contact A.

my final decision

My final decision is that Secure Trust Bank Plc should pay Mr T £300 for distress and inconvenience. In addition to the £100 it refunded to Mr T's account to make up for the missing payments.

It must pay the total compensation within 28 days of the date on which Mr T accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of the final decision until the date of payment at the rate of 8% per year simple.

If it considers it is legally required to deduct income tax from that interest, it must send a tax deduction certificate with the payment so that Mr T can reclaim the tax if he is able to.

Mr T should refer back to Secure Trust if he is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 February 2016.

Joyce Gordon
ombudsman